

Message Text

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64

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ISO-00 NEA-11 EA-11 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 SAM-01 SCI-06

FEA-02 COME-00 INT-08 OMB-01 TRSE-00 CIEP-02 DRC-01

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R 041755Z FEB 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 9492

AMEMBASSY TRIPOLI

INFO AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY JIDDA

AMEMBASSY KATHMANDU

AMEMBASSY RANGOON

AMEMBASSY TEHRAN

AMEMBASSY MOSCOW

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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E.O. 11652: N/A

TAGS: ENRG, IN

SUBJ: ENERGY: INDO/USSR CRUDE OIL SWAP

REF: NEW DELHI 11620, OCTOBER 4, 1973 (NOTAL)

1. UNCONFIRMED PRESS REPORTS STATE THAT THE GOI CABINET
HAS APPROVED A CRUDE OIL SWAP DEAL WITH THE USSR. UNDER
THE DEAL THE GOI IS TO TRADE 32.6 MILLION BARRELS (4.5

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MILLION TONS) OF LIBYAN CRUDE FOR A SIMILAR QUANTITY OF

SOVIET-PURCHASED PERSIAN GULF CRUDE. NEITHER SPECIFIC PRICES NOR LOGISTICS WERE MENTIONED. INDICATIONS ARE, HOWEVER, THAT INDIA AND THE USSR WILL APPLY A STRAIGHT BARREL-FOR-BARREL VALUATION TO THE TWO CRUDES, AND THAT EACH PARTY WILL BE RESPONSIBLE FOR THE MOVEMENT OF THE CRUDE IT PURCHASES (INDIAN-PURCHASED LIBYAN CRUDE TO AN EAST EUROPEAN PORT, AND SOVIET-PURCHASED PERSIAN GULF CRUDE TO INDIA).

2. IN OCTOBER 1973, WE REPORTED THAT THE GOI HAD AGREED TO PURCHASE 32.6 MILLION BARRELS (4.5 MILLION TONS) OF LIBYAN CRUDE OVER THE NEXT 2-1/2 YEARS, AND THAT FINANCE MINISTRY ECONOMIC AFFAIRS JOINT SECRETARY S.K. KRISHNASWAMI ASSURED EMBOFFS THAT NONE OF THIS WOULD BE "HOT OIL" (REFTEL). KRISHNASWAMI ALSO EMPHASIZED THAT TRANSPORTATION OF LIBYAN CRUDE TO INDIA VIA THE CAPE OF GOOD HOPE WOULD BE UNECONOMIC AND THAT A CUSTOMER MUST BE FOUND THAT WOULD BE WILLING TO TRADE LEGALLY ACCEPTABLE INDIAN-PURCHASES OF LIBYAN CRUDE FOR "EQUAL QUANTITIES" OF PERSIAN GULF CRUDE.

3. COMMENT: WE WILL WATCH PROGRESS CAREFULLY IN REGARD TO THESE SHIPMENTS AND WOULD APPRECIATE LEARNING OF ANY INFORMATION THAT EITHER THE DEPARTMENT OR AMEMBASSY TRIPOLI MAY HAVE ON THIS TRANSACTION. END COMMENT.
SCHNEIDER

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: morefirh
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